



General Assembly

Substitute Bill No. 7223

January Session, 2007

* _____HB07223ET_____052307_____*

**AN ACT CONCERNING BUSINESS AND ENERGY INDEPENDENCE
DISTRICTS AND SPECIAL SERVICES DISTRICTS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2007*) As used in sections 2 to
2 16, inclusive, of this act:

3 (1) "Business and energy independence district distributed
4 resources" means one or more of the following owned, leased, or
5 financed by a Business and Energy Independence District Board: (A)
6 Customer-side distributed resources, as defined in section 16-1 of the
7 general statutes; (B) grid-side distributed resources, as defined in said
8 section 16-1; (C) combined heat and power systems, as defined in said
9 section 16-1; and (D) Class III sources, as defined in said section 16-1;

10 (2) "Project" means the acquisition, purchase, construction,
11 reconstruction, improvement or extension of one or more of energy
12 improvement district distributed resources.

13 Sec. 2. (NEW) (*Effective October 1, 2007*) (a) Any municipality may,
14 by vote of its legislative body, establish one or more business and
15 energy independence districts within such municipality. The affairs of
16 any such district shall be administered by a Business and Energy
17 Independence District Board. The members of any such board shall be
18 appointed by the chief elected official of the municipality and shall

19 serve for such term as the legislative body may prescribe and until
20 their successors are appointed and have qualified. Vacancies shall be
21 filed by the chief elected official for the unexpired portion of the term.
22 The members of each such board shall serve without compensation,
23 except for necessary expenses.

24 (b) After a vote by a municipality to establish one or more business
25 and energy independence districts, the chief elected official of the
26 municipality shall notify each property owner of record by mail of said
27 action. An owner may record on the land records in the municipality
28 its decision to participate in the business and energy independence
29 district and the provisions of sections 2 to 16, inclusive, of this act. Any
30 owner of record, including any new owner of record, may rescind said
31 decision at any time.

32 Sec. 3. (NEW) (*Effective October 1, 2007*) (a) A Business and Energy
33 Independence District Board shall fund business and energy
34 independence district distributed resources in its district and shall
35 prepare a comprehensive plan for the development and financing of
36 such resources, except on state or federally owned properties, with a
37 view to the increased efficiency, reliability of the electric distribution
38 system and the furtherance of commerce and industry in the business
39 and energy independence district. The board may lease or acquire
40 office space and equip the same with suitable furniture and supplies
41 for the performance of work of the board, and may employ such
42 personnel as may be necessary for such performance. The board also
43 shall have power to:

44 (1) Sue and be sued;

45 (2) Have a seal and alter the same;

46 (3) Confer with any body or official having to do with electric power
47 distribution facilities within and without the district, and hold public
48 hearings as to such facilities;

49 (4) Confer with electric distribution companies with reference to the

50 development of electric distribution facilities in such district and the
51 coordination of the same;

52 (5) Determine the location, type, size and construction of business
53 and energy independence district distributed resources, subject to the
54 approval of any department, commission or official of the United
55 States, the state or the municipality where federal, state or municipal
56 statute or regulation requires it;

57 (6) Make surveys, maps and plans for, and estimates of the cost of,
58 the development and operation of requisite business and energy
59 independence district distributed resources and for the coordination of
60 such facilities with existing agencies, both public and private, with the
61 view of increasing the efficiency of the electric distribution system in
62 the district and in the furtherance of commerce and industry in the
63 district;

64 (7) Make contracts and leases, loans and execute all instruments
65 necessary or convenient to carry out their duties under the provision of
66 this section, including the lending of proceeds of bonds issued in
67 accordance with subdivision (9) of this section, to owners, lessees or
68 occupants of facilities in the business and energy independence
69 district;

70 (8) Fix fees, rates, rentals or other charges for the purpose of all
71 business and energy independence district distributed resources
72 owned by the Business and Energy Independence District Board and
73 collect such fees, rates, rentals and other charges for such facilities
74 owned by the board, which fees, rates, rentals or other charges shall be
75 sufficient to comply with all covenants and agreements with the
76 holders of any bonds issued pursuant to section 4 of this act;

77 (9) Operate and maintain all business and energy independence
78 district distributed resources owned or leased by the board and use the
79 revenues from such resources for the corporate purposes of the board
80 in accordance with any covenants or agreements contained in the
81 proceedings authorizing the issuance of bonds pursuant to section 4 of

82 this act;

83 (10) Accept gifts, grants, loans or contributions from the United
84 States, the state or any agency or instrumentality of either of them, or a
85 person or corporation, by conveyance, bequest or otherwise, and
86 expend the proceeds for any purpose of the board and, as necessary,
87 contract with the United States, the state or any agency or
88 instrumentality of either of them, to accept gifts, grants, loans or
89 contributions on such terms and conditions as may be provided by the
90 law authorizing the same;

91 (11) Maintain staff to promote and develop the movement of
92 commerce through the business and energy independence district; and

93 (12) Use the officers, employees, facilities and equipment of the
94 municipality, with the consent of the municipality, and pay a proper
95 portion of the compensation or cost.

96 (b) Nothing in the provisions of sections 2 to 16, inclusive, of this act
97 shall be construed to authorize a Business and Energy Independence
98 District to:

99 (1) Be an electric distribution company, as defined in section 16-1 of
100 the general statutes, or provide electric distribution or electric
101 transmission services, as defined in said section 16-1, or own or
102 operate assets to provide such services;

103 (2) Be a municipal electric utility, as defined in section 7-233 of the
104 general statutes, or provide the services of a municipal electric utility;

105 (3) Sell electricity to persons or entities in its municipality outside of
106 the Business and Energy Independence District;

107 (4) Undertake any authority or jurisdiction granted by the general
108 statutes to the Connecticut Siting Council, the Department of Public
109 Utility Control, or any other state agency, or to undertake any actions
110 under the jurisdiction of any federal agency; or

111 (5) Acquire property by eminent domain.

112 Sec. 4. (NEW) (*Effective October 1, 2007*) (a) A Business and Energy
113 Independence District Board may, from time to time, issue bonds
114 subject to the approval of the legislative body in the municipality in
115 which the business and energy independence district is located, for the
116 purpose of paying all or any part of the cost of acquiring, purchasing,
117 constructing, reconstructing, improving or extending any business and
118 energy independence district distributed resources project and
119 acquiring necessary land and equipment thereof, or for any other
120 authorized purpose of the board. The board may issue such types of
121 bonds as it may determine, including, but not limited to, bonds
122 payable as to principal and interest: (1) From its revenues generally; (2)
123 exclusively from the income and revenues of a particular project; or (3)
124 exclusively from the income and revenues of certain designated
125 projects, whether or not they are financed in whole or in part from the
126 proceeds of such bonds. Any such bonds may be additionally secured
127 by a pledge of any grant or contribution from a participating
128 municipality, the state or any political subdivision, agency or
129 instrumentality thereof, any federal agency or any private corporation,
130 copartnership, association or individual, or a pledge of any income or
131 revenues of the board, or a mortgage on any project or other property
132 of the board, provided such pledge shall not create any liability on the
133 entity making such grant or contribution beyond the amount of such
134 grant or contribution. Whenever and for so long as any board has
135 issued and has outstanding bonds, the board shall fix, charge and
136 collect rates, rents, fees and other charges in accordance with section 6
137 of this act. Neither the members of the board nor any person executing
138 the bonds shall be liable personally on the bonds by reason of the
139 issuance thereof. The bonds and other obligations shall so state on the
140 face, shall not be a debt of the state or any political subdivision thereof,
141 except when the board or a participating municipality which, in
142 accordance with section 13 of this act, has guaranteed payment of
143 principal and of interest on the same, and no person other than the
144 board or such a public body shall be liable thereon, nor shall such

145 bonds or obligations be payable out of any funds or properties other
146 than those of the board or such a participating municipality. Such
147 bonds shall not constitute an indebtedness within the meaning of any
148 statutory limitation on the indebtedness of any participating
149 municipality. Bonds of the board are declared to be issued for an
150 essential public and governmental purpose. In anticipation of the sale
151 of such revenue bonds the board may issue negotiable bond
152 anticipation notes and may renew the same from time to time, but the
153 maximum maturity of any such note, including renewals thereof, shall
154 not exceed five years from the date of issue of the original note. Such
155 notes shall be paid from any revenues of the board available therefor
156 and not otherwise pledged, or from the proceeds of sale of the revenue
157 bonds of the Business and Energy Independence District Board in
158 anticipation of which they were issued. The notes shall be issued in the
159 same manner as the revenue bonds. Such notes and the resolution or
160 resolutions authorizing the same may contain any provisions,
161 conditions or limitations which a bond resolution of the board may
162 contain.

163 (b) A Business and Energy Independence District Board may issue
164 bonds as serial bonds or as term bonds, or both. Bonds shall be
165 authorized by resolution of the members of the authority and shall
166 bear such date or dates, mature at such time or times, not exceeding
167 twenty years from their respective dates, bear interest at such rate or
168 rates, or have provisions for the manner of determining such rate or
169 rates, payable at such time or times, be in such denominations, be in
170 such form, either coupon or registered, carry such registration
171 privileges, be executed in such manner, be payable in lawful money of
172 the United States of America at such place or places, and be subject to
173 such terms of redemption, as such resolution or resolutions may
174 provide. The revenue bonds or notes may be sold at public or private
175 sale for such price or prices as the Business and Energy Independence
176 District Board shall determine. Pending preparation of the definitive
177 bonds, the Business and Energy Independence District Board may
178 issue interim receipts or certificates which shall be exchanged for such

179 definitive bonds.

180 (c) Any resolution or resolutions authorizing any revenue bonds or
181 any issue of revenue bonds may contain provisions, which shall be
182 part of the contract with the holders of the revenue bonds to be
183 authorized, as to: (1) Pledging all or any part of the revenues of a
184 project or any revenue-producing contract or contracts made by the
185 Business and Energy Independence District Board with any individual,
186 partnership, corporation or association or other body, public or
187 private, to secure the payment of the revenue bonds or of any
188 particular issue of revenue bonds, subject to such agreements with
189 bondholders as may then exist; (2) the rentals, fees and other charges
190 to be charged, and the amounts to be raised in each year thereby, and
191 the use and disposition of the revenues; (3) the setting aside of reserves
192 or sinking funds or other funds or accounts as the board may establish
193 and the regulation and disposition thereof, including requirements
194 that any such funds and accounts be held separate from or not be
195 commingled with other funds of the board; (4) limitations on the right
196 of the board or its agent to restrict and regulate the use of the project;
197 (5) limitations on the purpose to which the proceeds of sale of any
198 issue of revenue bonds then or thereafter to be issued may be applied
199 and pledging such proceeds to secure the payment of the revenue
200 bonds or any issue of the revenue bonds; (6) limitations on the
201 issuance of additional bonds, the terms upon which additional bonds
202 may be issued and secured, the refunding of outstanding bonds; (7) the
203 procedure, if any, by which the terms of any contract with
204 bondholders may be amended or abrogated, the amount of bonds the
205 holders of which must consent thereto, and the manner in which such
206 consent may be given; (8) limitations on the amount of moneys derived
207 from the project to be expended for operating, administrative or other
208 expenses of the board; (9) defining the acts or omissions to act that
209 shall constitute a default in the duties of the board to holders of its
210 obligations and providing the rights and remedies of such holders in
211 the event of a default; (10) the mortgaging of a project and the site
212 thereof for the purpose of securing the bondholder; and (11) provisions

213 for the execution of reimbursement agreements or similar agreements
214 in connection with credit facilities, including, but not limited to, letters
215 of credit or policies of bond insurance, remarketing agreements and
216 agreements for the purpose of moderating interest rate fluctuations.

217 (d) If any member whose signature or a facsimile of whose
218 signature appears on any bonds or coupons ceases to be such member
219 before delivery of such bonds, such signature or such facsimile shall
220 nevertheless be valid and sufficient for all purposes the same as if he
221 had remained in office until such delivery. Notwithstanding the
222 provisions of sections 2 to 16, inclusive, of this act, or any recitals in
223 any bonds issued under the provisions of this section, all such bonds
224 shall be deemed to be negotiable instruments under the provisions of
225 the general statutes.

226 (e) Unless otherwise provided by the ordinance creating the
227 Business and Energy Independence District Board, bonds may be
228 issued under the provisions of this section, without obtaining the
229 consent of the state or of any political subdivision thereof, and without
230 any other proceedings or the happening of other conditions or things
231 than those proceedings, conditions or things which are specifically
232 required by sections 1 to 16, inclusive, of this act.

233 (f) A Business and Energy Independence District Board may, out of
234 any funds available to it, purchase its bonds or notes. The Business and
235 Energy Independence District Board may hold, pledge, cancel or resell
236 such bonds, subject to and in accordance with agreements with
237 bondholders.

238 (g) A Business and Energy Independence District Board shall cause
239 a copy of any bond resolutions adopted by it to be filed for public
240 inspection in its office and in the office of the clerk of each
241 participating municipality and may thereupon cause to be published at
242 least once, in a newspaper published or circulating in each
243 participating municipality, a notice stating the fact and date of such
244 adoption and the places where such bond resolution has been so filed

245 for public inspection and the date of the first publication of such notice
246 and also stating that any action or proceeding of any kind or nature in
247 any court questioning the validity or proper authorization of bonds
248 provided for by the bond resolution, or the validity of any covenants,
249 agreements or contracts provided for by the bond resolution, shall be
250 commenced not later than twenty days after the first publication of
251 such notice. If any such notice is published and if no action or
252 proceeding question the validity or proper authorization of bonds
253 provided for by the bond resolution referred to in such notice, or the
254 validity of any covenants, agreements, contracts provided for by the
255 bond resolution is commenced or instituted not later than twenty days
256 after the first publication of said notice, then all residents and
257 taxpayers and owners of property in each participating municipality
258 and all other persons shall be forever barred and foreclosed from
259 instituting or commencing any action or proceeding in any court, or
260 from pleading any defense to any action or proceeding, questioning
261 the validity or proper authorization of such bonds, or the validity of
262 such covenants, agreements or contracts, and said bonds, covenants,
263 agreements and contracts shall be conclusively deemed to be valid and
264 binding obligations in accordance with their terms and tenor.

265 (h) Notwithstanding any provision of the general statutes, (1) the
266 state shall not have any liability or responsibility with regard to any
267 obligation issued by the board, and (2) no political subdivision of the
268 state shall have any liability or responsibility with regard to any
269 obligation issued by the board except as expressly provided by
270 sections 2 to 16, inclusive, of this act.

271 Sec. 5. (NEW) (*Effective October 1, 2007*) A Business and Energy
272 Independence District Board may secure any bonds issued under the
273 provisions of section 4 of this act by a trust indenture by way of
274 conveyance, deed of trust or mortgage of any project or any other
275 property of the board, whether or not financed in whole or in part
276 from the proceeds of such bonds, or by a trust agreement by and
277 between the board and a corporate trustee, which may be any trust
278 company or bank having the powers of a trust company within or

279 without the state or by both such conveyance, deed of trust or
280 mortgage and indenture or trust agreement. Such trust indenture or
281 agreement may pledge or assign any or all fees, rents and other
282 charges to be received or proceeds of any contract or contracts
283 pledged, and may convey or mortgage any property of the board. Such
284 trust indenture or agreement may contain such provisions for
285 protecting and enforcing the right and remedies of the bondholders as
286 may be reasonable and proper and not in violation of law, including
287 provisions that have been specifically authorized to be included in any
288 resolution or resolutions of the board authorizing the issue of bonds.
289 Any bank or trust company incorporated under the laws of the state
290 may act as depository of the proceeds of such bonds or of revenues or
291 other moneys and may furnish such indemnifying bonds or pledge
292 such securities as may be required by the board. Such trust indenture
293 may set forth rights and remedies of the bondholders and of the
294 trustee, and may restrict the individual right of action by bondholders.
295 In addition to the foregoing, such trust indenture or agreement may
296 contain such other provisions as the board may deem reasonable and
297 proper for the security of the bondholders. All expenses incurred in
298 carrying out the provisions of such trust indenture or agreement may
299 be treated as part of the cost of a project.

300 Sec. 6. (*Effective October 1, 2007*) (a) A Business and Energy
301 Independence District Board may fix, revise, charge and collect rates,
302 rents, fees and charges for the use of and for the services furnished or
303 to be furnished by each project and to contract with any person,
304 partnership, association or corporation, or other body, public or
305 private, in respect thereof. Such rates, rents, fees and charges shall be
306 fixed and adjusted in respect of the aggregate of rates, rents, fees and
307 charges from such project so as to provide funds sufficient with other
308 revenues, if any, (1) to pay the cost of maintaining, repairing and
309 operating the project and each and every portion thereof, to the extent
310 that the payment of such cost has not otherwise been adequately
311 provided for, (2) to pay the principal of and the interest on outstanding
312 revenue bonds of the board issued in respect of such project as the

313 same shall become due and payable, and (3) to create and maintain
314 reserves required or provided for in any resolution authorizing, or
315 trust agreement securing, such revenue bonds of the board. Such rates,
316 rents, fees and charges shall not be subject to supervision or regulation
317 by any department, commission, board, body, bureau or agency of this
318 state other than the board. A sufficient amount of the revenues derived
319 in respect of a project, except such part of such revenues as may be
320 necessary to pay the cost of maintenance, repair and operation and to
321 provide reserves and for renewals, replacements, extensions,
322 enlargements and improvements as may be provided for in the
323 resolution authorizing the issuance of any revenue bonds of the board
324 or in the trust agreement securing the same, shall be set aside at such
325 regular intervals as may be provided in such resolution or trust
326 agreement in a sinking or other similar fund which is hereby pledged
327 to, and charged with, the payment of the principal of and the interest
328 on such revenue bonds as the same shall become due, and the
329 redemption price or the purchase price of bonds retired by call or
330 purchase as therein provided. Such pledge shall be valid and binding
331 from the time when the pledge is made; the rates, rents, fees and
332 charges and other revenues or other moneys so pledged and thereafter
333 received by the board shall immediately be subject to the lien of any
334 such pledge, without any physical delivery thereof or further act, and
335 the lien of any such pledge shall be valid and binding as against all
336 parties having claims of any kind in tort, contract or otherwise against
337 the board, irrespective of whether such parties have notice thereof.
338 Neither the resolution nor any trust indenture or agreement by which
339 a pledge is created need be filed or recorded except in the records of
340 the board. The use and disposition of moneys to the credit of such
341 sinking or other similar fund shall be subject to the provisions of the
342 resolution authorizing the issuance of such bonds or of such trust
343 agreement. Except as may otherwise be provided in such resolution or
344 such trust indenture or agreement, such sinking or other similar fund
345 shall be a fund for all revenue bonds issued to finance a project of such
346 board without distinction or priority of one over another.

347 (b) All moneys received by the board pursuant to sections 2 to 16,
348 inclusive, of this act, whether as proceeds from the sale of bonds or as
349 revenues, shall be deemed to be trust funds to be held and applied
350 solely as provided pursuant to this section.

351 Sec. 7. (*Effective October 1, 2007*) Any holder of bonds, notes,
352 certificates or other evidences of borrowing issued under the
353 provisions of section 4 of this act, or of any of the coupons
354 appertaining thereto, and the trustee under any trust indenture or
355 agreement, except to the extent the right may be restricted by such
356 trust indenture or agreement, may, either at law or in equity, by suit,
357 action, injunction, mandamus or other proceedings, protect and
358 enforce any and all rights under the provisions of the general statutes
359 or granted by sections 2 to 16, inclusive, of this act, or under such trust
360 indenture or agreement or the resolution authorizing the issuance of
361 such bonds, notes or certificates, and may enforce and compel the
362 performance of all duties required by said section or by such trust
363 indenture or agreement or solution to be performed by the Business
364 and Energy Independence District Board or by any officer or agent
365 thereof, including the fixing, charging and collection of fees, rents and
366 other charges.

367 Sec. 8. (NEW) (*Effective October 1, 2007*) A Business and Energy
368 Independence District Board, in the exercise of its powers granted
369 pursuant to sections 2 to 16, inclusive, of this act, shall be for the
370 benefit of the inhabitants of the state, for the increase of their
371 commerce and for the promotion of their safety, health, welfare,
372 convenience and prosperity, and as the operation and maintenance of
373 any project which the board is authorized to undertake constitute the
374 performance of an essential governmental function, no board shall be
375 required to pay any taxes or assessments upon any project acquired
376 and constructed by it under the provisions of said sections. The bonds,
377 notes, certificates or other evidences of debt issued under the
378 provisions of section 4 of this act, their transfer and the income
379 therefrom, including any profit made on the sale thereof, shall at all
380 times be free and exempt from taxation by the state and by any

381 political subdivision thereof.

382 Sec. 9. (NEW) (*Effective October 1, 2007*) Bonds issued by a Business
383 and Energy Independence District Board, pursuant to section 4 of this
384 act, shall be securities in which all public officers and public bodies of
385 the state and its political subdivisions, all insurance companies, trust
386 companies, banking associations, investment companies and
387 executors, administrators, trustees and other fiduciaries may properly
388 and legally invest funds, including capital in their control or belonging
389 to them. Such bonds shall be securities that may properly and legally
390 be deposited with and received by any state or municipal officer or any
391 agency or political subdivision of the state for any purpose for which
392 the deposit of bonds or obligations is now or may hereafter be
393 authorized by law.

394 Sec. 10. (NEW) (*Effective October 1, 2007*) A municipality may, by
395 ordinance, and any other governmental unit shall, without any
396 referendum or public or competitive bidding, and any person may sell,
397 lease, lend, grant or convey to a Business and Energy Independence
398 District Board, or to permit a board to use, maintain or operate as part
399 of any distributed resource facility, any real or personal property that
400 may be necessary or useful and convenient for the purposes of the
401 board and accepted by the board. Any such sale, lease, loan, grant,
402 conveyance or permit may be made or given with or without
403 consideration and for a specified or an unlimited period of time and
404 under any agreement and on any terms and conditions that may be
405 approved by such municipality, governmental unit or person and that
406 may be agreed to by the board in conformity with its contract with the
407 holders of any bonds. Subject to any such contracts with the holders of
408 bonds, the board may enter into and perform any and all agreements
409 with respect to property so purchased, leased, borrowed, received or
410 accepted by it, including agreements for the assumption of principal or
411 interest or both of indebtedness of such municipality, governmental
412 unit or person or of any mortgage or lien existing with respect to such
413 property or for the operation and maintenance of such property as part
414 of any business and energy independence district distributed resources

415 facility.

416 Sec. 11. (NEW) (*Effective October 1, 2007*) A municipality,
417 governmental unit or person may enter into and perform any lease or
418 other agreement with any Business and Energy Independence District
419 Board for the lease or other agreement with any municipality,
420 governmental unit or person of all or any part of any business and
421 energy independence district distributed resource facility or facilities.
422 Any such lease or other agreement may provide for the payment to the
423 board by such municipality, governmental unit or person, annually or
424 otherwise, of such sum or sums of money, computed at fixed amount
425 or by any formula or in any other manner, as may be so fixed or
426 computed. Any such lease or other agreement may be made and
427 entered into for a term beginning currently or at some future or
428 contingent date and with or without consideration and for a specified
429 or unlimited time and on any terms and conditions which may be
430 approved by such municipality, governmental unit or person and
431 which may be agreed to by the board in conformity with its contract
432 with the holders of any bonds, and shall be valid and binding on such
433 municipality, governmental unit or person whether or not an
434 appropriation is made thereby prior to authorization or execution of
435 such lease or other agreement. Such municipality, governmental unit
436 or person shall do all acts and things necessary, convenient or
437 desirable to carry out and perform any such lease or other agreement
438 entered into by it and to provide for the payment or discharge of any
439 obligation thereunder in the same manner as other obligations of such
440 municipality, governmental unit or person.

441 Sec. 12. (NEW) (*Effective October 1, 2007*) For the purpose of aiding a
442 Business and Energy Independence District Board, a municipality, by
443 ordinance or by resolution of its legislative body, shall have power
444 from time to time and for such period and upon such terms, with or
445 without consideration, as may be provided by such resolution or
446 ordinance and accepted by the board, (1) to appropriate moneys for
447 the purposes of the board, and to loan or donate such money to the
448 board in such installments and upon such terms as may be agreed

449 upon with the board, (2) to covenant and agree with the board to pay
450 to or on the order of the board annually or at shorter intervals as a
451 subsidy for the promotion of its purposes not more than such sums of
452 money as may be stated in such resolution or ordinance or computed
453 in accordance therewith, (3) upon authorization by it in accordance
454 with law of the performance of any act or thing which it is empowered
455 by law to authorize and perform and after appropriation of the
456 moneys, if any, necessary for such performance, to covenant and agree
457 with the board to do and perform such act or thing and as to the time,
458 manner and other details of its doing and performance, and (4) to
459 appropriate money for all or any part of the cost of acquisition or
460 construction of such facility, and, in accordance with the limitations
461 and any exceptions thereto and in accordance with procedure
462 prescribed by law, to incur indebtedness, borrow money and issue its
463 negotiable bonds for the purpose of financing such distributed
464 resource facility and appropriation, and to pay the proceeds of such
465 bonds to the board.

466 Sec. 13. (NEW) (*Effective October 1, 2007*) For the purpose of aiding a
467 Business and Energy Independence District Board in the planning,
468 undertaking, acquisition, construction or operation of any distributed
469 resource facility, a participating municipality may, pursuant to
470 resolution adopted by its legislative body in the manner provided for
471 adoption of a resolution authorizing bonds of such municipality and
472 with or without consideration and upon such terms and conditions as
473 may be agreed to by and between the municipality and the board,
474 unconditionally guarantee the punctual payment of the principal of
475 and interest on any bonds of the board and pledge the full faith and
476 credit of the municipality to the payment thereof. Any guarantee of
477 bonds of the board made pursuant to this section shall be evidenced by
478 endorsement thereof on such bonds, executed in the name of the
479 municipality and on its behalf by such officer thereof as may be
480 designated in the resolution authorizing such guaranty, and such
481 municipality shall thereupon and thereafter be obligated to pay the
482 principal of and interest on said bonds in the same manner and to the

483 same extent as in the case of bonds issued by it. As part of the
484 guarantee of the municipality for payment of principal and interest on
485 the bonds, the municipality may pledge to and agree with the owners
486 of bonds issued under this chapter and with those persons who may
487 enter into contracts with the municipality or the board or any
488 successor agency pursuant to the provisions of this chapter that it will
489 not limit or alter the rights thereby vested in the bond owners, the
490 board or any contracting party until such bonds, together with the
491 interest thereon, are fully met and discharged and such contracts are
492 fully performed on the part of the municipality or the board, provided
493 nothing in this subsection shall preclude such limitation or alteration if
494 and when adequate provisions shall be made by law for the protection
495 of the owners of such bonds of the municipality or the board or those
496 entering into such contracts with the municipality or the board. The
497 board is authorized to include this pledge and undertaking for the
498 municipality in such bonds or contracts. To the extent provided in
499 such agreement or agreements, the obligations of the municipality
500 thereunder shall be obligatory upon the municipality and the
501 inhabitants and property thereof, and thereafter the municipality shall
502 appropriate in each year during the term of such agreement, and there
503 shall be available on or before the date when the same are payable, an
504 amount of money that, together with other revenue available for such
505 purpose, shall be sufficient to pay such principal and interest
506 guaranteed by it and payable thereunder in that year, and there shall
507 be included in the tax levy for each such year in an amount that,
508 together with other revenues available for such purpose, shall be
509 sufficient to meet such appropriation. Any such agreement shall be
510 valid, binding and enforceable against the municipality if approved by
511 action of the legislative body of such municipality. Any such guaranty
512 of bonds of the board may be made, and any resolution authorizing
513 such guaranty may be adopted, notwithstanding any statutory debt or
514 other limitations, but the principal amount of bonds so guaranteed
515 shall, after their issuance, be included in the gross debt of such
516 municipality for the purpose of determining the indebtedness of such
517 municipality under subsection (b) of section 7-374 of the general

518 statutes. The principal amount of bonds so guaranteed and included in
519 gross debt shall be deducted and is declared to be and to constitute a
520 deduction from such gross debt under and for all the purposes of
521 subsection (b) of said section 7-374, (1) from and after the time of
522 issuance of said bonds until the end of the fiscal year beginning next
523 after the completion of acquisition and construction of the distributed
524 resource facility to be financed from the proceeds of such bonds, and
525 (2) during any subsequent fiscal year if the revenues of the board in the
526 preceding fiscal year are sufficient to pay its expenses of operation and
527 maintenance in such year and all amounts payable in such year on
528 account of the principal and interest on all such guaranteed bonds, all
529 bonds of the municipality issued as provided in this section and all
530 bonds of the Business and Energy Independence District Board issued
531 under section 4 of this act.

532 Sec. 14. (NEW) (*Effective October 1, 2007*) Any lease or other
533 agreement, and any instruments making or evidencing the same, may
534 be pledged or assigned by the board to secure its bonds and thereafter
535 may not be modified except as provided by the terms of such
536 instrument or by the terms of such pledge or assignment.

537 Sec. 15. (NEW) (*Effective October 1, 2007*) All property of a Business
538 and Energy Independence District Board shall be exempt from levy
539 and sale by virtue of an execution and no execution or other judicial
540 process shall issue against the same nor shall any judgment against the
541 board be a charge or lien upon its property, provided nothing in this
542 section shall apply to or limit the rights of the holder of any bonds to
543 pursue any remedy for the enforcement of any pledge or lien given by
544 the board on its facility revenues or other moneys.

545 Sec. 16. (NEW) (*Effective October 1, 2007*) A Business and Energy
546 Independence District Board and the municipality in which any
547 property of the board is located may enter into agreements with
548 respect to the payment by the board to such municipality of annual
549 sums of money in lieu of taxes on such property in such amount as
550 may be agreed upon between the board and the municipality. The

551 board may make, and the municipality may accept, such payments
552 and apply them in the manner in which taxes may be applied in such
553 municipality, provided no such annual payment with respect to any
554 parcel of such property shall exceed the amount of taxes paid thereon
555 for the taxable year immediately prior to the time of its acquisition by
556 the board.

557 Sec. 17. Section 7-339n of the general statutes is repealed and the
558 following is substituted in lieu thereof (*Effective October 1, 2007*):

559 A special services district shall constitute a body politic and
560 corporate and the ordinance establishing such a district shall confer
561 upon such district such of the following powers as are provided in the
562 ordinance: [(a)] (1) To sue and be sued; [(b)] (2) to acquire, hold and
563 convey any estate, real or personal; [(c)] (3) to contract; [(d)] (4) to
564 borrow money, provided any obligation incurred for this purpose shall
565 be discharged, as provided in the ordinance establishing the special
566 services district, not more than [one year] five years after it was
567 incurred, and such district may pledge any revenues to be received
568 pursuant to section 7-339r, as amended by this act, against any such
569 obligation; [(e)] (5) to recommend to the legislative body of the
570 municipality in which such district is located the imposition of a levy
571 upon the taxable interests in real property within such district, the
572 revenues from which may be used in carrying out any of the powers of
573 such district; [(f)] (6) to construct, own, operate and maintain public or
574 common improvements; and [(g)] (7) to provide, within such district,
575 some or all of the other services which such municipality is authorized
576 to provide therein, except that no such ordinance may confer upon any
577 such district the power to provide elementary or secondary public
578 education services, and provided further no such ordinance may
579 confer upon any such district the power to provide services which are
580 then being provided within any portion of the area included in such
581 district by any multitown body or authority.

582 Sec. 18. Section 7-339p of the general statutes is repealed and the
583 following is substituted in lieu thereof (*Effective October 1, 2007*):

584 (a) An ordinance establishing a special services district shall not take
585 effect unless, within sixty days of the adoption of such ordinance: (1) If
586 such district is not divided into subdistricts pursuant to subsection (b)
587 of section 7-339r, as amended by this act, a referendum is held among
588 all the holders of record of taxable interests in real property within
589 such district on the question of whether such ordinance shall take
590 effect, and unless a majority of such [owners] holders of record of
591 taxable interests in real property shall respond affirmatively and
592 unless the holders of such taxable interests of real property, the
593 assessments of which shall constitute more than one-half of the total of
594 assessments for all taxable interests in real property within such
595 district, shall respond affirmatively; or (2) if such district is divided
596 into subdistricts pursuant to subsection (b) of section 7-339r, as
597 amended by this act, a separate referendum is held among all the
598 holders of record of taxable interests in the real property within each
599 such subdistrict on the question of whether such ordinance shall take
600 effect, and unless a majority of such holders in each such subdistrict
601 shall respond affirmatively and unless the holders of such taxable
602 interests in real property within each such subdistrict, the assessments
603 of which shall constitute more than one-half of the total of assessments
604 for all taxable interests in real property within each such subdistrict,
605 shall respond affirmatively; (3) if the ordinance establishing such
606 district creates different categories of land use within such district
607 pursuant to subdivision (1) of subsection (c) of section 7-339r, as
608 amended by this act, a separate referendum is held among all the
609 holders of record of taxable interests in real property in each such land
610 use category in such district on the question of whether such ordinance
611 shall take effect, and unless a majority of such holders in each such
612 land use category shall respond affirmatively and unless the holders of
613 taxable interests in real property in each such land use category, the
614 assessments of which shall constitute more than one-half of the total of
615 assessments for all taxable interests in real property in each such land
616 use category within such district, shall respond affirmatively; and (4) if
617 such district is divided into subdistricts pursuant to subsection (b) of
618 section 7-339r, as amended by this act, and if the ordinance

619 establishing such district creates different categories of land use within
620 such district pursuant to subdivision (1) of subsection (c) of section 7-
621 339r, as amended by this act, and if such ordinance also provides a
622 different basis for the determination of the levies on the same land use
623 category in different subdistricts pursuant to subdivision (2) of
624 subsection (c) of section 7-339r, as amended by this act, a separate
625 referendum is held among all the holders of taxable interests in real
626 property in each such land use category in each such subdistrict on the
627 question of whether such ordinance shall take effect, and unless a
628 majority of such holders in each such land use category in each such
629 subdistrict shall respond affirmatively, and unless the holders of such
630 taxable interests in real property in each such land use category in each
631 such subdistrict, the assessments of which shall constitute more than
632 one-half of the total of assessments for all taxable interests within each
633 such land use category within each such subdistrict, shall respond
634 affirmatively. For the purposes of this section, any tenant in common
635 of any freehold interest in real property shall have a vote equal to the
636 fraction of [his] such tenant's ownership in said interest. Any joint
637 tenant of any freehold interest in real property shall vote as if each
638 tenant owned an equal, fractional share of such real property. A
639 corporation, partnership, limited liability partnership or limited
640 liability company shall have its vote cast by the chief executive officer,
641 managing partner or managing member of such corporation,
642 partnership, limited liability partnership or limited liability company,
643 or [his] such managing partner or managing member's designee. No
644 [owner] holder of record of a taxable interest in real property shall
645 have more than one vote.

646 (b) The ordinance establishing a special services district shall
647 prescribe the method and manner in which any such referendum shall
648 be conducted, and shall provide the qualifications for those
649 participating in any such referendum. Any such referendum may be
650 conducted by mail.

651 (c) No holder of record of a taxable interest in real property,
652 whether such record holder is a corporation, partnership, limited

653 liability company, limited liability partnership, unincorporated
654 association, trustee, fiduciary, guardian, conservator, or other form of
655 entity, or any combination thereof, and whether such record holder is
656 an individual who holds interests jointly, or in common with another
657 individual or individuals, or with any one or more of the foregoing,
658 shall be precluded from participating in any such referendum because
659 of the form of entity which holds such record interest.

660 Sec. 19. Section 7-339r of the general statutes is repealed and the
661 following is substituted in lieu thereof (*Effective October 1, 2007*):

662 (a) An ordinance establishing a special services district shall provide
663 the time and manner for determining the levy on real property within
664 such district which is recommended by the board of commissioners of
665 such district pursuant to [subsection (e)] subdivision (5) of section 7-
666 339n, as amended by this act.

667 (b) In order to provide that different areas, and different land use
668 categories, within any such special services district may share
669 equitably in the funding of such district in proportion to the different
670 benefits to be derived therefrom, an ordinance establishing a special
671 services district may divide such district into subdistricts, and such
672 ordinance may further provide a separate basis for the determination
673 of the levy recommended pursuant to [subsection (e)] subdivision (5)
674 of section 7-339n, as amended by this act, on taxable interests in real
675 property within each such subdistrict.

676 (c) (1) An ordinance establishing a special services district may
677 create, for taxing purposes only, different categories of land use within
678 such district, and such ordinance may further provide a separate basis
679 for the determination of the levy recommended pursuant to
680 [subsection (e)] subdivision (5) of section 7-339n, as amended by this
681 act, on each such category of land use. (2) If an ordinance establishing
682 such a district divides such district into subdistricts, and if such
683 ordinance also creates different land use categories, such ordinance
684 may also provide a basis for the determination of the levy

685 recommended pursuant to [subsection (e)] subdivision (5) of section 7-
686 339n, as amended by this act, on taxable interests in real property in a
687 land use category in any such subdistrict which is different from the
688 basis for determining the levy recommended on taxable interests in
689 real property in the same land use category in another subdistrict or in
690 other subdistricts.

691 (d) An ordinance establishing a special services district shall
692 provide that, when the board of commissioners of such district shall, in
693 a timely manner, recommend to the legislative body of the
694 municipality in which such district is located a levy upon the taxable
695 interests in real property within such district, pursuant to [subsection
696 (e)] subdivision (5) of section 7-339n, as amended by this act, and
697 pursuant to such ordinance, it shall be the obligation of such legislative
698 body to impose such levy as a municipal levy, and such levy shall be in
699 addition to the regular municipal levy, and it shall be the obligation of
700 the municipality to collect such levy for the benefit of such district. All
701 moneys received by the board of commissioners of any such district or
702 by a municipality on behalf of any such district shall be paid into the
703 general fund of such municipality where an account shall be
704 maintained of such moneys for the benefit of such district. Any
705 provision of the general statutes, any special act or any municipal
706 charter to the contrary notwithstanding, the treasurer of such
707 municipality shall disburse such funds in accordance with an annual
708 budget adopted by the board of commissioners of such district.

709 Sec. 20. Section 7-339t of the general statutes is repealed and the
710 following is substituted in lieu thereof (*Effective October 1, 2007*):

711 The provisions of any municipal charter or of any general statute or
712 special act to the contrary notwithstanding, an ordinance establishing a
713 special services district may provide that: [(a) That the] (1) The
714 municipality in which such district is located is excused from
715 providing within such district, or within some or all of the subdistricts,
716 if any, within such district, some or all of the services which such
717 district is authorized to provide pursuant to [subsection (g)]

718 subdivision (7) of section 7-339n, as amended by this act, provided
719 such ordinance shall also provide that thenceforth it shall be the
720 obligation of such district to provide such services as to which the
721 municipality has been excused; [(b) that] (2) the municipality within
722 which such district is located may enter into a contract with such
723 district in which the city is excused from providing within such
724 district, or within some or all of the subdistricts, if any, within such
725 district, some or all of the services which such district is authorized to
726 provide pursuant to [subsection (g)] subdivision (7) of section 7-339n,
727 as amended by this act, and in which such district agrees to provide all
728 such services as to which the municipality has been excused; [(c) that,]
729 (3) if such ordinance contains a provision excusing the municipality
730 from the performance of any services pursuant to [subsection (a)]
731 subdivision (1) of this section, the municipality shall make an annual
732 grant to such district, in a fixed amount or based upon a formula set
733 forth in such ordinance, for the purpose of compensating such district
734 for the services from which the municipality is excused and for which
735 such district is to become responsible; [(d) that,] (4) if such ordinance
736 contains a provision authorizing the municipality and such district to
737 enter into a contract pursuant to [subsection (b)] subdivision (2) of this
738 section excusing the municipality from the performance of certain
739 services and obligating such district to provide such services, the
740 municipality may also agree, in such contract, to make an annual grant
741 to such district, in a fixed amount or based upon a formula set forth in
742 such contract, for the purpose of compensating such district for the
743 services from which the municipality is excused and for which such
744 district is to become responsible; [(e) that,] (5) as to any services which
745 the municipality is excused from performing and which such district is
746 to become responsible for performing, whether by the terms of such
747 ordinance itself or by the terms of a contract entered into pursuant to
748 authority granted in such ordinance, the municipality and such district
749 may enter into a contract or contracts having a fixed term or extending
750 for the life of such district in which such district is given the right to
751 elect to purchase, at intervals stated in such contract and for periods of
752 time stated in such contract, from the municipality, some or all of such

753 services either at prices fixed in such contract or at prices to be
 754 determined in accordance with a formula set forth in such contract, or
 755 at prices determined by a combination of these methods; [(f) that] (6)
 756 all or certain of the interests in real property held by such district are
 757 not subject to the municipal property tax; [(g) that] (7) all or certain of
 758 the personal property owned by such district is not subject to the
 759 municipal property tax; [and (h) that] (8) interests in real property held
 760 by such district, and personal property owned by such district, are
 761 subject to the municipal property tax but that any such tax may be
 762 abated prospectively by the legislative body of the municipality; and
 763 (9) the period for repayment of borrowed moneys may be not less than
 764 one year and not more than five years, provided, if no such period is
 765 specifically provided in the ordinance creating a district, the
 766 repayment period shall be not more than one year, unless such
 767 ordinance is amended to allow a borrowing period of up to five years.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2007	New section
Sec. 2	October 1, 2007	New section
Sec. 3	October 1, 2007	New section
Sec. 4	October 1, 2007	New section
Sec. 5	October 1, 2007	New section
Sec. 6	October 1, 2007	New section
Sec. 7	October 1, 2007	New section
Sec. 8	October 1, 2007	New section
Sec. 9	October 1, 2007	New section
Sec. 10	October 1, 2007	New section
Sec. 11	October 1, 2007	New section
Sec. 12	October 1, 2007	New section
Sec. 13	October 1, 2007	New section
Sec. 14	October 1, 2007	New section
Sec. 15	October 1, 2007	New section
Sec. 16	October 1, 2007	New section
Sec. 17	October 1, 2007	7-339n
Sec. 18	October 1, 2007	7-339p
Sec. 19	October 1, 2007	7-339r

Sec. 20	October 1, 2007	7-339t
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FIN *Joint Favorable Subst.*

ET *Joint Favorable*